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Transcript of the Governor's media session

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The following is the transcript of the media session by the Governor, the Rt Hon Christopher Patten, after opening the TWGH Wu York Yu Care and Attention Home today (Monday):

Governor: I am delighted to have been able to open this excellent home today. It's an example of the improved facilities that we want to give to all the elderly in Hong Kong. As you know, we had the report of the working group on the elderly last August, and we committed ourselves to implementing all their recommendations which include the provision of many more places and homes like this. So I am delighted to see a good home and hope that we can provide many more in Hong Kong.

Question: Governor, about the budget on March 1, have you already sent a copy to the Chinese side?

Governor: We will be doing what we normally do, which is to let the Director of Hong Kong and Macao Affairs Office know some of the details in advance, and to make sure that he receives, say, copy of the budget, just before it is delivered by Sir Hamish.

Question: But at this time already sent on ...

Governor: I have written a letter to Director Lu which I think he should receive, I think tomorrow. But obviously, as we've made clear, the closer we get to 1997, the more we'll want to involve Chinese side in discussions about our budget because plainly the 1997 budget, for instance, will have to represent our joint assessment of the need of the Hong Kong economy.

Question: (on the agreement between USA and China on intellectual property protection)

Governor: I think it's a good day for China and a good day for the United States, and therefore a good day for Hong Kong. Obviously, the negotiations were difficult and demanding. But I'd like to congratulate both sides on hammering out an agreement which is in everyone's interest candidly. I think the issue of intellectual property and the theft of intellectual property is a very important one as we have growing trade around the world and particularly growing service sectors in every country. It's, I think, important to try to work out these problems by agreement, and when you are in the position that we are in, to take the toughest measures against those who are guilty of theft of intellectual property. That's why we are increasing the resources available to our Customs and Excise, and that's why we are going to ask the Legislative Council to legislate for tougher penalties on those who are guilty of intellectual property theft. So we've got to do our bit. But I very much welcome what Chinese and American negotiates have done after some pretty tough and demanding negotiations. I congratulate them unreservedly.

It's a good day for the region and a good day for the world. I just add this that I do hope that it makes it possible to move more rapidly towards the resumption of negotiations on China's membership of the WTO. Clearly, it would be easier to tackle all these issues, easier to avoid them coming up and creating problems, if China, which is one of the great economic, growing economic powers in the world, was a matter of the GATT and of the WTO.

Question: Return to the Wednesday budget, is it a good news or a bad news to the Hong Kong people?

Governor: Because we have an excellent and responsible Financial Secretary, whenever he presents a budget, it's good news for Hong Kong. But above all, what is good news for Hong Kong is that the people of Hong Kong continue to work hard and competitively and give us one of the outstanding economies in the world. Of course, there are difficulties and problems from time to time. And that's always the case in economies. But we've had 34 years now of uninterrupted economic growth which helps to provide the resources for homes like this. You can't provide more social programmes unless you got a strong economy. And that 34 years of economic growth is a tribute to the spirit and the vigour and the drive of the people of Hong Kong.

Question: (about the bankruptcy of Barings)

Governor: The Financial Secretary made a statement this morning about that, pointing out what the Monetary Authority had done in relation to Barings, and I don't think I can add usefully to what Sir Hamish said this morning.

Question: Governor, about sewage scheme. Your side has suggested another group other than JLG group to talk about the sewage scheme of stage II. Is it going to frozen new talk on Phase I ignoring the Chinese side ...

Governor: I think you need to distinguish between stage I and stage II. Stage I is necessary whatever scheme is undertaken on the stage II. Stage I will reduce substantially the pollution in our harbour, and will give us the sort of modern, up-to-date sewage collection and treatment resources that we need. Frankly, I wish we've done this a long time ago. But that is completed before 1997 and then the community will have to move on to the next stage which raises difficult and challenging environmental issues on which we are very happy to have a full and open dialogue with the Chinese side in whatever forum they like.

Question: What's the reason for another group other than JLG?

Governor: I think that it's very often the case that matters are taken forward in expert groups outside the JLG, as well as discussed in the JLG in parallel. I don't think there's any particular significance about it. One last question.

Question: About the Route 3 CPS. Will the route still be put forward to Legco, and what do you think about the price in building network which has been criticised...

Governor: I think it will be put forward to Legco as soon as we can manage. I can't give you an exact date. But obviously we want to get on with it as soon as possible. Anybody who lives in the northwest New Territories wants to see us get on with it as quickly as possible. As for the financial arrangements, I think we have to recognise that if they're going to attract private investment into providing public goods like improvements in our infrastructure. We have to have financial returns which are fair to investors. In Hong Kong, probably more successfully than any other community, we have managed to attract private investment into the provision of tunnels and roads and other public assets. We have done that because we take a sensible view of the importance of arrangements which are fair to investors as well as fair to the community. So I think the arrangements are pretty good ones. What's important now is to get on and complete our infra-structure, because you and I know that the people in the Northwest New Territories are very concerned about the transport difficulties which they face. The sooner we can address those problems the better.

Question: About the MPF, how optimistic are you about the Legco debate?

Governor: I'm always wildly optimistic. On this particular occasion, I don't know. The motion that we've put down is I think a reflection of what our discussions within the Legislative Council and outside suggest to us represents the most common ground in the Legislative Council. But views have changed on this question over the years. We know perfectly well that schemes which people support one moment, they decide they don't support the next. What we've got to do for once and for all in my judgement is to find the best way forward. I'm sorry that there wasn't more support in the Legislative Council for the old age pension scheme which I thought was a very good scheme. But what we've now got to do is to find another way forward. What I say again, repeating what I said in the Legislative Council last week, is that we can't produce a new scheme every year in the hope that one day we'll hit the jackpot. What we've got to do is to make up our minds once and for all about the right way forward. The old, the elderly, the retired of Hong Kong and those who will be retired in the next few years deserve a solution to this problem, to this debate. And we could go on debating it uphill and down dale for the indefinite future but that wouldn't do anybody any good.

Question: The members from three parties in the Legco has already said no to the MPF. How could you say that you are very optimistic? Or would you prefer a U turn as you said?

Governor: No. I very much hope that there will be a majority for our motion in the debate next week because I want to see this issue resolved. But legislators themselves will have to make their own minds up. What we can't do is come forward with proposals in the teeth of opposition from the community. And what we also can't do is produce a new plan every few months or every year.

End/Monday, February 27, 1995

Consensus on decent provision for elderly hoped for

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The Governor, the Rt Hon Christopher Patten, expressed the hope that a consensus would be found within the community for a sensible way forward to provide affordable and decent provision for the retired and the elderly.

"I think we have arrived at a stage where we've got to make our minds up one way or the other.

"I very much hope therefore the Legislative Council, when they discuss these matters next week, will give a lead," he said.

Speaking at the opening of the Tung Wah Group of Hospitals Wu York Yu Care and Attention Home this (Monday) afternoon, Mr Patten said there was much more that needed to be done for the elderly.

"We are already committed to far reaching improvements not just to the number of places and range of services available for their care, but to significant improvements in the quality of the service that is provided.

"We have made significant improvements as well to social security payments and we've begun studies that will help us to carry out a comprehensive review of benefit payments, not least those payments that go to the elderly.

"Beyond all that though, there is the pressing question of how to make adequate and affordable provision for the financial security of the elderly in their retirement," he added.

The new care and attention home will provide care to over 240 elderly people by April this year.

End/Monday, February 27, 1995

Transcript of remarks by FS on Barings

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The following is the transcript of the remarks on Barings made by the Financial Secretary, Sir Hamish Macleod, to waiting journalists at the Central Government Offices this (Monday) morning:

Question: What's your reaction on Baring Brothers facing bankruptcy?

FS: Well, I think it is clearly very unfortunate that Barings has got into trouble, apparently through their Singapore office. What we have done -- both the SFC and the Monetary Authority -- have acted very quickly. As you know, dealings of the various Barings Companies here have been suspended in respect of the Stock Exchange and the Futures Exchange. And the bank of course is closed. That will give us time to assess what the longer term implications are. So that's an interim measure really. The main action of course lies in London. The main bank is in London and the Bank of England is the main regulator. So we have to see how things develop in London. But meanwhile, it is very good that both the SFC and the Monetary Authority have acted swiftly and the assets will be protected in that way.

Question: Why do you think the closure of the normal business of Barings Brothers was the best way the safeguard the interest of the investors?

FS: Clearly, following the announcement in London that Barings in London, is also closed for business, we can't really have branches and subsidiaries going on when there is this doubt about the future of the bank, so that is the best thing. I should also make it clear, in the Hong Kong context, Barings is not a big bank. It is a restricted licence bank. That means it doesn't have small investors at all. It doesn't take small deposits.

Question: What is the impact on the investors?

FS: I think what investors will want to know over the next few days as the position gets a bit clear is not so much the position of the bank which is not a great interest to most people in Hong Kong, but the position of the various funds which Barings manage in Hong Kong. So we have to see what could be said on that.

Question: Is there something learnt from the case?

FS: So far there is no indication that there is any problem in Hong Kong. The problem as I say emerged in Singapore and then of course fed back into the parent bank in London. That's the cause of the problem. That's not a Hong Kong cause. But clearly we have to guard our own investors and that's why we've taken these steps. As the thing becomes clearer, I think we will be able to issue some more detailed announcements. Thank you very much.

End/Monday, February 27, 1995

HK branch of Baring Brothers & Co Ltd closes for business

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The Bank of England has announced that Baring Brothers & Co Ltd ("Barings"), a UK bank, has been the victim of losses caused by massive, unauthorised dealings by one of its traders in Southeast Asia. The amount of these losses is estimated to be in excess of 500 million pound sterling. As a result, Barings cannot continue trading and is applying for administration.

In view of this announcement, the Monetary Authority announced today (Monday) that, after consultation with the Financial Secretary, he has instructed the Hong Kong branch of Barings, which is a restricted licence bank, to close for normal business until further notice and to take additional measures designed to safeguard the assets of the institution in Hong Kong.

This is intended to maintain the position of the institution in Hong Kong pending the outcome of the application for administration.

The problems identified in Barings, which are unique to that company, relate to its activities outside Hong Kong. The Monetary Authority is continuing to monitor closely the situation.

End/Monday, February 27, 1995

General Teaching Council Working Group members named

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Speaking after the 176th meeting of the Education Commission today (Monday), the Chairman, Professor Rosie Young, announced the membership of the Commission's Working Group on a General Teaching Council, as follows:

Chairman:	Mr Andrew Leung
Members:	Professor Young,
	Dr Cheng Kai-ming
	Mrs Angela Cheung
	Hon Cheung Man-kwong
	Dr Tam Man-kwan
	Mr Norman Yuen
	Mr Irving Koo (representing the Advisory Committee on Teacher Education and Qualifications)(ACTEQ)
	Mr Tse Kum-shing (representing Director of Education)
	A lawyer (to be named later)
Secretary:	Mr Chris Godwin

All members will serve in their individual capacity, except for the representatives of ACTEQ and Director of Education. The Working Group's terms of reference are to -

i. review background to and the need for the establishment of a General Teaching Council;

ii. depending on the outcome of this review, to make proposals regarding the establishment of a statutory council including its objectives, powers and duties, membership criteria, and governance arrangements;

iii. submit recommendations to the Education Commission as soon as possible on (i) and by the end of 1995 on (ii).

"The first meeting is likely to be held in early April," Professor Young said.

Professor Young said the 176th meeting had concentrated on a discussion of the next phase of work for the Commission. "We have begun looking forward to a new programme of work, even though we still have a lot of work to do to complete the current three studies," she said.

"Our top priority is to complete Education Commission Report No. 6, on language proficiency. The Secretary is now drafting this report.

"Consultation on the report on quality in school education will finish next month, and we shall then need to decide the way ahead in the light of public comments.

"A delegation from the Commission and its Working Group on School Funding will make a study visit to Melbourne, Australia, from March 18 to 25 to see how changes in the school resourcing framework are being carried out there. The Working Group will then develop its ideas for publication towards the end of the year.

"And the newly set up Working Group on a General Teaching Council will also occupy a lot of our time during 1995," Professor Young noted.

"Nevertheless, the Commission wants to ensure that the momentum we have built up in the past few years can be sustained," Professor Young said.

"Today we agreed on the need for two series of reviews: one covering issues in the various sectors of education. These will be conducted by the Board of Education, University Grants Committee, and the Commission. The other review will look at broader issues concerning education strategy for the 21st century. The Commission will take the lead on this.

"The Commission wants to draw in all relevant advisory bodies and agencies to contribute to these reviews," Professor Young said. "The next step is to define a number of key questions which can help to focus attention on the fundamental issues, particularly issues which have cross-sectoral implications. The Commission hopes to consider a list of possible key questions at its meeting in March," she said.

End/Monday, February 27, 1995

Visit permit requirement relaxed for ex-China residents of Macau

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The Immigration Department announced today (Monday) arrangement to further relax the residential requirement for ex-China residents in Macau for the issue of multiple visit permits.

Under the current arrangement introduced on November 21, 1994, ex-China residents of Macau who have been resident in Macau for five years or longer are eligible to apply for two-year multiple visit permits which will allow the holders to visit Hong Kong for up to seven days in any calendar month.

The fee for the permit is $90.

With effect from March 1, ex-China residents of Macau who are holders of Macau identity cards for four years or longer will be eligible to apply for such permits, a spokesman for the department said.

"The plan is to eventually lower the residential requirement for ex-China residents of Macau for the issue of such multiple visit permits to two years by phases. Further announcements will be made in due course," the spokesman said.

"There is no easing of the existing system of immigration control. Visitors must leave Hong Kong at the end of their permitted stay," the spokesman reiterated.

For enquiries, members of the public may telephone 2824 6111 or use faxline 2877 7711.

End/Monday, February 27, 1995

Employers reminded to provide information to help voter registration

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Starting from today (Monday), reminders will be sent to employers who have yet to provide information for the voter registration of the nine new functional constituencies for the Legislative Council.

In mid-January, the Registration and Electoral Office sent out requests to employers seeking information on their principal business, the names and identity card numbers of their employees as at January 1.

So far, 78,000 employers have returned the information requested, covering information on about 590,000 employees.

The spokesman reminded employers that under Section 6 of the Boundary and Election Commission (Registration of Electors) (Functional Constituencies and Election Committee Constituency) Regulation, they are required to provide such information.

Any person who fails to comply with the requirement for information commits an offence liable to a fine of $5,000.

Any person who knowingly furnishes information which is false or incorrect in a material particular commits an offence liable to a fine of $5,000 and imprisonment for six months.

Staff of the Home Affairs Department will pay follow-up visits to business establishments later in March to remind employers of their obligations.

Employers are urged to co-operate and provide information to the REO as soon as possible.

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Use drop-in box for application of new licences

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As a large number of people are turning up at the Transport Department's four licensing offices to apply for renewal of their driving or vehicle licences, a spokesman for the Department urged the public to make full use of the drop-in boxes in the licensing offices to avoid having to queue up for processing of their licensing transactions.

The spokesman said applications received through the drop-in boxes would be treated in the normal manner and the new licences would be sent to the applicants by registered mail.

The public may also send in their applications by post. The post-mark date will be taken as the date the applications are received.

The spokesman added that as the number of people turning up at the licensing offices was larger than normal, the usual waiting times as shown under the Performance Pledge Scheme will not be applicable.

Separate waiting times for processing various licensing transactions will be shown at each licensing office.

Special queuing arrangements are being adopted at each Licensing Office having regard to the layout and location of the offices.

Adequate notices showing the queuing arrangements are being displayed at prominent locations of each Licensing Office.

Staff are being deployed from the offices to assist in maintaining an orderly queuing arrangement. Police assistance will be sought for crowd control if necessary.

If members of the public have any enquiries, they can contact the Licensing Offices direct and their telephone numbers are as follows :

Hong Kong Licensing Office, tel no. 2804 2630;
Kowloon Licensing Office, tel no. 2771 4309;
Kwun Tong Licensing Office, tel no. 2775 6835; and
Sha Tin Licensing Office, tel no. 2606 5077.

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Unlicensed guesthouse operator fined

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A guesthouse operator was fined $12,000 in the South Kowloon Magistracy today (Monday) after he pleaded guilty to a charge of running an unlicensed guesthouse at the Chungking Mansions in Tsim Sha Tsui.

The court heard that officers of the Home Affairs Department's Office of the Licensing Authority inspected a flat on the third floor of the building on December 13 last year and found that the premises was operating as a guesthouse, but without a licence.

The operator was subsequently charged under Section 5 of the Hotel and Guesthouse Accomodation Ordinance.

Meanwhile, a spokesman for the department reiterated that anyone who operated a guesthouse without a licence or a valid certificate of exemption was liable on conviction to a fine and two years' imprisonment.

He stressed that enforcement action would continue to be taken against unlicensed guesthouses, adding that policing and prosecution would be a long-term exercise and would not be confined to a particular district.

He also invited the public to report on unlicensed guesthouses to the office by telephoning 2881 7034.

End/Monday, February 27, 1995

FS to present budget on Wednesday

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Hong Kong's budget for the financial year 1995/96 will be presented to the Legislative Council on Wednesday (March 1)

The proceedings will start at 2.30 pm and the Financial Secretary, Sir Hamish Macleod, will move the first and second readings of the Appropriation Bill 1995, and outline the estimated revenue and expenditure for 1995/96.

The heads of expenditure were set out in the Appropriation Bill 1995 which was gazetted last Friday.

Debate on the bill will be adjourned until March 22 and 23, when members will give their views on the budget proposals.

Officials will give their replies on March 29.

On March 15, 16 and 17, the Finance Committee will hold special meetings to examine the draft estimates of expenditure.

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Attention News Editors:

GIS will provide facilities on Wednesday (March 1) to enable media representatives to start work early on the budget.

Media members will be given advance copies of the budget speech and economic prospects at noon.

They must stay in the GIS Press Conference Room on the fifth floor of Beaconsfield House, Queen's Road Central to work on their copies and will not be allowed to leave until the Financial Secretary concludes his speech. Light refreshment will be provided.

Contacts of any kind with outside, such as telephone or computer links, are prohibited during the closed working session. Also, mobile telephones will not be allowed into the Conference Room.

Government officials from the Finance Branch and the Financial Services Branch will be on hand to help media representatives in the Conference Room from 12.30 pm. They will not give interviews and they should not be quoted.

Sir Hamish and the Secretary for the Treasury, Mr Donald Tsang, will meet the media at the GIS Press Conference Room around 4.30 pm to answer questions relating to the budget after his delivery of the speech in the LegCo.

End/Monday, February 27, 1995

Sir David Trench Fund Committee invites applications for grants

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The Sir David Trench Fund Committee is inviting applications for grants from the Sir David Trench Fund for Recreation and the Jockey Club Grant for Permanent Recreational Facilities for Youth.

The Sir David Trench Fund for Recreation is aimed at providing recreational, sporting, cultural and social activities facilities to promote personal development, purposeful use of leisure and community involvement, particularly of young people.

The Jockey Club grant is mainly for the construction of recreational facilities to meet the needs of young people.

A single application form is available for the two funds.

Application forms are obtainable at all District Offices of the Homes Affairs Department, and at the Education, Social Welfare, Health, Urban Services and Regional Services Departments as well as the Hong Kong Council of Social Service.

They are also available at the Recreation and Sports Division of the Recreation and Culture Branch, and the Secretariat of the Sir David Trench Fund Committee which is responsible for administering both the Sir David Trench Fund for Recreation for capital and non-capital projects and advising on the disbursement of the Jockey Club Grant.

Completed forms should be returned to the Secretariat of the Sir David Trench Fund Committee at Room 4015, 40th Floor, Revenue Tower, 5 Gloucester Road, Wan Chai, Hong Kong.

Applications for capital works projects will close on May 20 while that for non-capital works projects is open throughout the year.

Enquiries about the Sir David Trench Fund for Recreation capital works projects and the Jockey Club Grant for permanent facilities for youth can be made on tel 2594 5659 while those about non- capital works projects on tel 2594 5660.

End/Monday, February 27, 1995

Young string player sought for arts camp

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The Music Office of the Recreation and Culture Branch has been invited to select a young string player to participate in the 1995 World Youth Symphony Orchestra Interlochen Arts Camp in the United States.

It will be held at Interlochen, Michigan, from June 25 to August 21 this year.

Apart from an intensive training in symphonic music performance, there will also be master classes, workshops and performances by some of the greatest artists in the world during the eight weeks.

Applications are being invited from young persons aged between 14 and 18 who have resided in Hong Kong for not fewer than three years.

They should have attained Grade VIII (Practical) in the Royal Schools of Music Examination or equivalent in violin, viola, cello or double bass.

Preference will be given to candidates with orchestral experience and a reasonable command of English.

Candidates are also required to attend an audition to be arranged by the Music Office next month.

A spokesman for the Music Office said the fees for the Interlochen Arts Camp would be met by the organisers while free return air passage would be provided by Cathay Pacific Airways and a local organisation.

"The selected candidate is only required to pay for his personal insurance and to place a sum of US$300 in his personal account with the Interlochen Arts Camp to meet minor personal expenses," he said.

Application forms are available at all district centres of the Music Office.

Completed forms should be returned to the Kwun Tong Music Centre, third floor, Ngau Tau Kok Government Offices, 21 On Wah Street, Kowloon, on or before March 1.

Further enquiries can be made on telephone 2796 2891.

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Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 68.9 per cent of capacity or 404.017 million cubic metres.

This time last year the reservoirs contained 400.925 million cubic metres of water, representing 68.4 per cent of capacity.

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Hong Kong Monetary Authority money market operations

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	$ million	Time (hours)	Cumulative change ($million)
Opening balance in the account	797	0930	+2,112
Closing balance in the account	2,214	1000	+2,112
Change attributable to :		1100	+2,133
Money market activity	+1,987	1200	+2,037
LAF today	-570	1500	+1,987
		1600	+1,987

LAF rate 4.25% bid/6.25% offer TWI 120.3 *+0.0* 27.2.95

Hong Kong Monetary Authority

EF bills

Terms	Yield
1 week	4.54
1 month	5.07
3 months	5.92
6 months	6.25
12 months	6.77

EF notes/Hong Kong Government bonds

Term	Issue	Coupon	Price	Yield
15 months	2605	6.35	99.51	6.88
24 months	2702	7.50	100.64	7.27
29 months	3707	6.95	99.31	7.39
35 months	3801	8.00	101.49	7.56
58 months	5912	8.15	100.94	8.06

Total turnover of bills and bonds - $36,509 million

Closed February 27, 1995

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